



USAID | DELIVER PROJECT

Building a Cadre of Supply Chain Champions in India



USAID | DELIVER PROJECT 2014

Jharkhand supply chain design workshop, October 2014.

“Through learning from the Supply Chain Foundations Course, Haryana Medical Services Corporation Limited has started implementing a max-min inventory control system for the regional warehouses.”

—Dr. Ashish Gupta, Managing Director, HMSCL

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A supply chain is only as effective as the staff who manage it. The USAID | DELIVER PROJECT works with State Health Missions (SHMs) in India to provide trainings, workshops, and training-of-trainers, each building upon the previous, to strengthen supply chain systems and the skills of people who run them.

Understanding the Foundations of Supply Chain

In India, understanding of public health supply chain management (SCM) is often limited to the procurement of commodities. Within the SHMs this viewpoint limits understanding to supply chain functions at the state and district level, preventing awareness of how each function contributes to improving access to—and availability of—life-saving commodities.

To introduce a more holistic approach to supply chain management, the project invited senior-level health managers from the SHMs and District Program Management Units to an interactive training program on supply chain management fundamentals. This accelerated overview of the components of an effectively and efficiently managed supply chain included the roles and contribution of each supply chain function—such as inventory control, quantification, and storage practices—and how they apply to the day-to-day work environment. A total of 115 senior-level program administrators and supply chain managers from the states of Haryana, Himachal Pradesh, Jharkhand, and Uttarakhand attended.

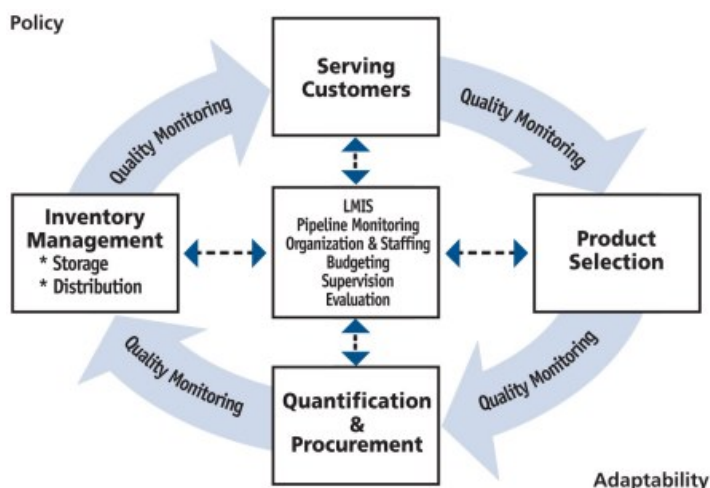
With support from the project, states have initiated implementation of the concepts learned during the workshops. In Jharkhand and Himachal Pradesh, the SHM directors and health secretary began looking at ways to standardize essential medicines supply chain operations and reporting forms across district and health care levels. Both states, as well as Uttarakhand, are exploring the feasibility of introducing an electronic



logistics management information system (eLMIS). In Jharkhand, SHM Mission Director Ashish Singhmar said, “We learned that a functional LMIS is key for improving product availability. We welcome the cooperation with USAID | DELIVER PROJECT to improve procurement processes and begin implementation of an eLMIS.”

All four states developed standard operating procedures (SOPs) for an inventory control system for reproductive, maternal, newborn, child and adolescent health (RMNCH+A) program commodities, and Himachal Pradesh is moving toward the development of a vendor-managed inventory system. Following the course, the Haryana Medical Services Corporation Limited (HMSCL), the main project partner in Haryana tasked with managing the supply chain operations for essential medicines, initiated the implementation of a more standardized inventory control system. According to Dr. Ashish Gupta, HMSCL Managing Director, “Through learning from the supply chain foundations course, the HMSCL has started implementing a max-min inventory control system for the regional warehouses.”

The Logistics Cycle



Designing Supply Chain Processes

In Jharkhand, Haryana, Himachal Pradesh, and Uttarakhand, the project conducted data collection exercises to map and review current supply chain processes. The project facilitated supply chain design workshops that were based on the strengths and weaknesses identified in the data collection exercises. The workshops were forums for soliciting feedback and suggesting ways to codify improvements into SOPs while expanding SHM staff’s supply chain knowledge and skills. The workshops introduced staff at all levels, including the community health workers called Accredited Social Health Activists, to the basics of inventory management and presented standardized LMIS form templates. The immediate feedback enabled the project to ensure the forms were easy to use.

The SOPs provide detailed instructions and easy-to-follow job aids to ensure all steps in each process are explained so that every employee can complete a task correctly every time. Participants’ understanding of and enthusiasm for the new processes and LMIS forms was evident. “The SOP manual designed by the USAID | DELIVER PROJECT covers all important aspects of supply chain management at the health facility level. The document is well designed and easy to understand. I am hopeful that after the training of [health facility staff], we will see an improvement in staff performance logistics data quality and availability of medicines,” said Dr. Gupta.

Supply chain managers and health workers with supply chain responsibilities at all levels who understand and utilize the SOPs are better able to perform the tasks required to maintain commodity availability. A training-of-trainers (TOT) was conducted following the design workshop to ensure that the states have people who are capable of rolling out the SOP training. According to one participant’s post-TOT feedback, the message was clear: “No TOT, no training of facilities, no product, no program!”

Creating Data-Driven Forecasts

Demand forecasting is the basis of all supply chain planning. Effective forecasts align inventory with demand and support strategic budgeting. With a forecast in hand, supply plans guide how and when goods are procured. In many of the USAID priority states, the project baseline landscape analysis highlighted funding availability, rather than medicine consumption, as the driver of procurement decisions. The estimation of quantities required for procurements is conducted at the state, district, and/or block levels usually annually and based on what was budgeted for and procured the previous year—plus a growth percent, typically 10 percent. This results in chronic commodity rationing, a root cause of the high level of stockouts observed during the landscape analysis (e.g., about half of the facilities surveyed in Haryana and Jharkhand states were stocked-out of condoms and oral and emergency contraceptives).

The project conducted forecasting workshops in Haryana and Jharkhand to introduce evidence-based quantification activities—including forecasting and supply planning methodology and application—to state- and district-level SHM staff. In Jharkhand, where only health management information system (HMIS) and demographic data were available, the goal was to develop a district-based forecasting model that could be replicated either for the state level or the remaining districts in Jharkhand. In Haryana, the goal was to develop a state-level forecast using the procurement and consumption data for RMNCH+A program commodities, which are stored in the HMSCL eLMIS.

In preparation for the workshops, project and SHM staff conducted the primary- and secondary-level data collection and helped write the technical assumptions for drafting forecasting projections. Participants learned to prepare a 12-month forecast using consumption data, HMIS services data, demographic data, and morbidity data; improve the accuracy of forecasts; estimate the total commodity requirements—including quantities needed to cover lead time and buffer stock; and to understand the utility of software packages for forecasting and supply planning. The Jharkhand Nodal Officer for Procurement Mr. M N Lal noted his satisfaction with his state's progress to plan for demand. "This is exactly what we need, we need it for all districts in Jharkhand. Good data has been generated in a very short time. Now at least Jharkhand has some data to work upon."

Supply Chain Champions

To date, the project has trained 259 supply chain managers and staff, including 25 trainers to cascade the trainings throughout the states. In giving SHM staff an overview of the components that make a supply chain effectively and efficiently managed through the supply chain foundations course, increasing their ability to utilize SOPs and standardized reporting forms through SOP design workshops, and introducing quantification activities through forecasting workshops, the USAID | DELIVER PROJECT has prepared a cadre of champions for improved supply chain performance and commodity availability in India.

The USAID | DELIVER PROJECT, Task Order 4, is funded by the U.S. Agency for International Development, and implemented by John Snow, Inc. The project improves essential health commodity supply chains by strengthening logistics management information systems, streamlining distribution systems, identifying financial resources for procurement and supply chain operations, and enhancing forecasting and procurement planning. The project also encourages policymakers and donors to support logistics as a critical factor in the overall success of their health care mandates.

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